

# **EXHIBIT C**

Case No. 14-CV-704-GKF-JFJ



# United States Department of the Interior

## BUREAU OF INDIAN AFFAIRS

Osage Agency  
P.O. Box 1539  
Pawhuska, Oklahoma 74056-1539



## PROCEDURES FOR OBTAINING SANDY SOIL AND ROCK MINING PERMITS OSAGE COUNTY, OKLAHOMA

Permits are processed through the Branch of Minerals at the Osage Indian Agency. Lessee will be subject to the Code of Federal Regulations under 25 CFR Part 214. The initial process of 45 to 60 days for completion is due to the Archeological Review process, which is required by law. Renewal of an existing mining permit will take 15 to 30 days. The following steps are described below.

1. Letter to the Superintendent, Osage Indian Agency, P.O. Box 1539, Pawhuska, OK 74056, requesting the following:

- a) type of permit (Limestone/Dolomite, Sandy Soil, Sand Stone or Clay)
- b) legal description of the mine site (Quarter, Section, Township and Range)
- c) approval letter from the surface owner of the mine site
- d) proposed lessee's name, address and phone number

If using a Company name and it is incorporated, you must submit corporate documents:  
(Articles of Incorporation, Certificate of Incorporation and Certificate of Good Standing)

- e) a brief description of the purpose of the mining operation

2. Completion of the original permit forms. After we receive the above information, the permit forms will be sent to the prospective lessee for review and signatures.

*Two (2) forms will be generated from the BIA/Osage Agency Minerals Branch*

3. Acquire Surety bond or escrow – Lessee shall furnish with each permit an acceptable bond or escrow, not less than the following amounts: *(The bond or escrow forms must be on the Osage Agency forms only) Name of the bondholder must be the same as the lessee on the permit.*

|                                       |         |
|---------------------------------------|---------|
| For less than 80 acres                | \$1,000 |
| For 80 acres and less than 120 acres  | \$1,500 |
| For 120 acres and less than 160 acres | \$2,000 |
| For 160 acres or parts thereof        | \$5,000 |

4. An annual minimum advance royalty payment of \$100.00, or amount per Osage Tribal Council Resolution is due on all permits, payable to the *Bureau of Indian Affairs*.

The Osage Tribal Council has the authority to determine annually the royalty rates and/or annual royalty due. At present the royalty rate is \$.75 per cubic yard and \$ 1.00 a ton for Sand Stone Permits.

5. Lessee will be required to complete monthly production reports during the entire term of the permit, even during periods of no production. The monthly reports and royalty owed are due by the 25<sup>th</sup> of the month following the month of production. Blank monthly production reports and instructions can be obtained in the Branch of Minerals.

If you have any questions, please contact the Lease Management Section at (918) 287-5710.